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SUBJECT: ITALIAN FOREIGN ASSISTANCE TO DECREASE 60% IN
2009, BUT 3.8M EUROS FOR GEORGIA

REF: SECSTATE 100093

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Italy's Foreign Assistance to Drop by 60% in 2009
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¶1. (SBU) On 23 September, Counselor Massoni of the Italian MFA told Econoff that Italy's foreign assistance in 2009 is expected to decrease by 60% from 2008, dropping to 0.11% of GDP. This is expected to produce, in the year of the Italy's G8 presidency, a sharp reduction in Italy's humanitarian initiatives. Multilateral organizations such as the UNDP, WHO, and UNICEF will remain top priorities, while funding for NGOs will likely be cut substantially, particularly for those in Africa. One exception will be the Joint United Nations program on HIV/AIDS (UNAIDS), which, though multilateral, will be cut considerably. Polio eradication will remain a priority.

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3.8m euros for Georgia
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¶2. (SBU) According to GOI decree 147/08, Georgia-related GOI spending will total 3.8m euros in fiscal year 2008. Of this, the lion's share - 2.06m euros - will fund Italian participation in the EU peacekeeping force for Georgia. An additional 1.6m euros will fund humanitarian initiatives identified by the international Georgia donors' conference to be held in October. 28,000 euros were also set aside for the participation of an Italian diplomat in the office of the Special Representative of the EU in Georgia.

¶3. (SBU) Comment: EU member states are committed to increase their foreign assistance to 0.33% of GDP for 2008, rising to 0.51% of GDP in 2010. These latest cuts will move Italy further away from EU targets, and may prove embarrassing during its G8 presidency. Set against the context of wholesale cuts in humanitarian spending, the new Italian commitment of 3.8m euros for Georgia is significant.
End comment.

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